Allianz Group: First Half of 2015

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Journalist Telephone Conference
August 7, 2015
1. Status: results for the first half of 2015
2. Environment: global economic factors
3. Outlook: renewal agenda
### Financial highlights 6M 2015

#### Group
- **Total revenues (EUR bn)**
  - 2014 6M: 63.4
  - 2015 6M: 67.9
  - Change: +7.1%

- **Operating profit (EUR mn)**
  - 2014 6M: 5,494
  - 2015 6M: 5,697
  - Change: +3.7%

- **Shareholders’ net income (EUR mn)**
  - 2014 6M: 3,395
  - 2015 6M: 3,839
  - Change: +13.1%

#### Property-Casualty
- **Operating profit (EUR mn)**
  - 2014 6M: 2,835
  - 2015 6M: 3,030
  - Change: +6.9%

#### Life/Health
- **Operating profit (EUR mn)**
  - 2014 6M: 1,864
  - 2015 6M: 1,957
  - Change: +5.0%

#### Asset Management
- **Operating profit (EUR mn)**
  - 2014 6M: 1,321
  - 2015 6M: 1,060
  - Change: -19.8%

#### Solvency II capitalization (%)
- 31.12.14: 63.4
- 30.06.15: 67.9
  - Change: +7.1%

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1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014.
The economic environment

Subdued global growth in 2015 and 2016 with three risks:

**China:** moderate growth slowdown or cracks in the controlled economic development model? *specifically:* 50% of global economic growth in Asia

**Fed:** smooth interest rate turnaround or turbulence on overpriced and illiquid markets? *specifically:* USD 100 trillion (volume of the global bond markets)

**Greece:** economic and social restructuring and strengthening of monetary union or ongoing Grexit debate and crisis summits? *specifically:* future of the eurozone
Based on the very good developments to date, we confirm our operating profit outlook for 2015 at the upper end of our target range at EUR 10.8bn.
Since October 2014, comprehensive stakeholder dialogues initiated

Lessons learned

1. Allianz is very strong and at its best in many ways

2. Almost everything around us is changing – fast and fundamentally

3. Allianz has solid foundations – yet needs to be more decisive
Allianz is strong in a lot of areas

Sequence of record profits

World’s Nº1 insurer and leading asset manager

Solid TRS performance despite shocks

A trusted partner building on

Integrity
Competence
Resilience

One of the world’s strongest brands

Leading insurance & asset mgmt. know-how

Loyal, motivated staff

Strengthened business model

Performance

Trust

Health
The world is changing faster and more fundamentally than ever before

**Fundamental shifts**
- Rebalancing of global growth
- Technology leap and digitalization
- Demographic and societal shifts
- Geo-political instability

**Cyclical trends**
- “Zero” rates and new asset bubbles
- Softening P&C cycle
- Tightening regulation

**Potential shocks**
- Capital market crash
- Political crises
As our solid foundations …

Customer advocacy
- Superior customer value crucial in digital era and in light of re-regulation

Functional optimization
- Digital revolution – full transformation instead of marginal change

Solid core skills
- Beta investment returns shrinking, new level of “underwriting” and AM performance needed

Strength in our core markets
- Growth moving to new places, outside our traditional markets

Financial track record and tenacity
- Culture to adapt to changes, keeping Allianz’s distinctiveness as the trusted partner

… are impacted by the ongoing changes …

True customer centricity

Digital by default

Technical excellence

Growth engines

Inclusive meritocracy

… we need to be more decisive

Superior customer value crucial in digital era and in light of re-regulation

Digital revolution – full transformation instead of marginal change

Beta investment returns shrinking, new level of “underwriting” and AM performance needed

Growth moving to new places, outside our traditional markets

Culture to adapt to changes, keeping Allianz’s distinctiveness as the trusted partner

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Allianz Group – first half of 2015
Targets and measures are currently being developed for each of these five topics

<table>
<thead>
<tr>
<th>Topics</th>
<th>Elements</th>
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<tbody>
<tr>
<td>True customer centricity</td>
<td>Customer needs as the main point of reference in everything we do</td>
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<td>Digital by default</td>
<td>Becoming a fully digital company</td>
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<td>Technical excellence</td>
<td>Applying excellent expertise – anytime and anywhere</td>
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<td>Growth engines</td>
<td>Systematically exploring new growth engines</td>
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<tr>
<td>Inclusive meritocracy</td>
<td>Becoming more collaborative, agile, entrepreneurial and hands-on</td>
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- Launched beginning of May
- Two members of the Board of Management support each topic
- Five international teams comprising 200 experts from the operating entities and the company’s headquarters
- Progress regularly discussed by the Board of Management
- Innovative discussion and communication formats
Next steps

**Today**

- **August**  - Further refinement of the five topics

**Mid-September**  - Discussion and further development with Allianz international executives

**End of November**  - Communication of work results and initiatives

**Beginning of 2016**  - Implementation of the first set of measures
Allianz boosted its revenues and results in the first half of the year. Operating profit outlook for 2015 confirmed at upper end of the target range at EUR 10.8bn\(^1\)

The global economic environment remains volatile

Allianz is using the renewal agenda to determinedly shape its future

\(^1\) Impact from NatCat, financial markets and global economic development not predictable
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